



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 23-0881 Date: March 27, 2023
Prime Sponsors: Sen. Zenzinger; Kirkmeyer Bill Status: Senate Appropriations
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Bill Topic: COMMUNITY CORRECTIONS FINANCIAL AUDIT

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

Budget package bill. The bill requires the Division of Criminal Justice in the Department of Public Safety to contract with an independent third party to audit community corrections programs by January 1, 2024, and every five years thereafter. Starting in FY 2023-24, the bill increases state expenditures every five years.

Appropriation Summary: For FY 2023-24, the bill includes an appropriation of \$100,000 to the Department of Public Safety.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2023-24 budget package.

Table 1
State Fiscal Impacts Under SB 23-242

Table with 4 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill requires the Division of Criminal Justice within the Department of Public Safety (DPS) to contract with an independent third-party auditor by January 1, 2024, to audit the financial records of each community corrections program, subject to available appropriations. The audit's scope must include, but is not limited to, the following information about community corrections programs:

- total revenue;
- all sources of revenue;
- total expenditures and type of expenditures; and
- the costs per day per community corrections offender.

An audit is required every five years. The third party conducting the audit must report its first audit findings to the General Assembly and the DPS by July 1, 2025, and by July 1 every five years thereafter.

## State Expenditures

The bill increases state General Fund expenditures in the DPS by \$100,000 in FY 2023-24 to contract with an independent third-party to perform the audit required by the bill. This cost will recur every fifth fiscal year.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$100,000 to the Department of Public Safety.

## State and Local Government Contacts

Joint Budget Committee Staff

Public Safety